

DEPARTMENT OF THE TREASURY**Bureau of Alcohol, Tobacco and Firearms****27 CFR Part 9****[Notice No. 960]****RIN: 1512-AC76****Red Hill (Oregon) Viticultural Area (2001R-88P)**

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Department of the Treasury.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: ATF received a petition that proposes the establishment of "Red Hill" as a viticultural area within the state of Oregon. Mr. Wayne Hitchings, a vineyard owner in the proposed area, filed the petition. The proposed area consists of approximately 5,500 acres or 8.6 square miles. Mr. Hitchings believes that "Red Hill" is a widely known name for the proposed area and that the area is well defined and distinguishable from other areas by its soil, elevation, climate, and topography.

DATES: Written comments must be received by December 30, 2002.

ADDRESSES: Send written comments to: Chief, Regulations Division, Bureau of Alcohol, Tobacco and Firearms, P.O. Box 50221, Washington, DC 20091-0221; (ATTN: Notice No. 960). To comment by facsimile or e-mail, see the "Public Participation" section of this notice.

FOR FURTHER INFORMATION CONTACT: Tim DeVanney, Regulations Division, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue, NW., Washington, DC 20226; telephone 202-927-8210.

SUPPLEMENTARY INFORMATION:**Background on Viticultural Areas***What Is ATF's Authority To Establish a Viticultural Area?*

As the delegate of the Secretary of the Treasury, ATF has authority under the Federal Alcohol Administration Act, 27 U.S.C. 205(e), to prescribe regulations that insure that alcohol beverages are labeled or marked adequately as to product identity information.

ATF published Treasury Decision ATF-53 (43 FR 37672) on August 23, 1978. This decision revised the regulations in 27 CFR part 4, Labeling and Advertising of Wine, to allow the establishment of definitive viticultural areas. The regulations allow the name of an approved viticultural area to be used

as an appellation of origin in the labeling and advertising of wine.

On October 2, 1979, ATF published Treasury Decision ATF-60 (44 FR 56692) which added part 9, American Viticultural Areas, the listing of approved viticultural areas, to title 27 of the Code of Federal Regulations. The viticultural area names found in this listing may be used as appellations of origin.

What Is the Definition of an American Viticultural Area?

Title 27 CFR 4.25a(e)(1)(i) defines a viticultural area as a delimited grape-growing region distinguishable by geographical features. Viticultural features such as soil, climate, elevation, topography, etc., distinguish it from surrounding areas.

What Is Required To Establish a Viticultural Area?

Any interested person may petition ATF to establish a grape-growing region as a viticultural area. Under 27 CFR 9.3, the petition must include all of the following items.

- Evidence that the name of the proposed viticultural area is locally and/or nationally known to refer to the area specified in the petition.
- Historical or current evidence that the boundaries of the viticultural area are as specified in the petition.
- Evidence relating to the geographical features (climate, soil, elevation, physical features, etc.) that distinguish the proposed area from surrounding areas.
- A description of the specific boundaries of the viticultural area, based on features that can be found on United States Geological Survey (USGS) maps of the largest applicable scale.
- A copy of the appropriate USGS map(s) with the boundaries prominently marked.

What Impact Will This Have on Current Wine Labels?

If this proposed viticultural area is approved, bottlers with brand names similar to the name of the viticultural area must review existing products to assure that they are eligible to use the viticultural area's name as the appellation of origin (85% of the grapes used to make a wine must be grown within the viticultural area). If a product is not eligible to use the viticultural area as an appellation, the bottler must obtain approval of a label with a different brand name for that wine. (See § 4.39(i))

Red Hill Petition

ATF received a petition from Mr. Wayne Hitchings, a vineyard owner in the proposed area. Mr. Hitchings petitioned ATF to establish a viticultural area within the State of Oregon to be known as "Red Hill." The proposed viticultural area is located entirely within the Umpqua Valley viticultural area near Yoncalla, Oregon, in northeastern Douglas County.

The proposed area encompasses approximately 8.6 square miles or 5,500 acres. Mr. Hitchings, the sole grower within these boundaries, devotes approximately 194 acres to the cultivation of wine grapes. Currently, no bonded wineries exist in the proposed area.

The following chart details Red Hill's current grape varietal breakdown by acres.

Grape varietal	Acreage
Pinot Noir	153
Chardonnay	18
Gewurztraminer	7
Reisling	5
Pinot Blanc	5
Cabernet Sauvignon	2.5
Pinot Gris	2
Zinfandel	1

What Name Evidence Has Been Provided?

Two prominent families of historic importance, the Scotts and the Applegates, established Red Hill in the mid-19th century. Together, they settled the valleys at the foot of this prominent, elongated hill located two miles southeast of Yoncalla, Oregon. According to the petitioner, the name "Red Hill" derives from the color of the soil exclusive to this area. By 1847, both the Applegates and the Scotts had land claims nearby. By 1850, with Congress passing the Donation Land Law and the large influx of settlers, quality agricultural lands were receiving patents or new filings. With such rapid settlement, pioneers took much of the quality land, including the Red Hill settlements, by the time of statehood in 1859.

By 1879, a school district was established in the Red Hill area, and a schoolhouse was constructed on Red Hill Road. The school's location can be found on a copy of the USGS map of Drain, Oregon, which is printed on a scale of 1:62,500 and dated 1956. The petitioner provided this map, which also shows the school on Red Hill Road as "abandoned." This school district operated until 1943, when it merged with the Pleasant Valley District. The name "Red Hill" also identifies Red Hill

Road, which appears as a "light duty" road running through sections 34, 35, and 26 of this map.

A copy of a page taken from "Douglas County Schools, A History Outline" by Larry Moulton, October 2000, includes directions to the old school site, which is referred to as "Red Hill (#10)," and a hand-drawn map showing "Red Hill Road" and "Red Hill School Site." In addition, the petitioner provided photographs of various Red Hill signs including a Douglas County road sign, an exit sign from Interstate 5 (exit number 150), and a directional road sign to Red Hill.

In 1969, 7.5 acres of varietal grape vineyards were first planted on a slope that offered southern exposure on Red Hill. Another landowner planted 4 acres of wine grapes in 1970. The present total vineyard area is approximately 194 acres, and other plantings are currently taking place.

The petitioner furnished a variety of documents that use the name "Red Hill" in various capacities. One example is a copy of a Charles Metsker map drawn in 1932 that identifies sections 24 and 25 as "Red Hill." The designation "Red Hill School District 10" also appears in section 26 of this map.

The petitioner states that the name "Red Hill" can also be found at a USGS Internet site that has a database for geographical names. The database can be found at <http://mapping.usgs.gov/www/gnis/>. This database, known as Geographic Names Information System, is the United States' official repository of domestic geographic names information. It contains information on over a million geographic features of physical and cultural importance in the United States. This database uses Federally recognized name references to find a feature's location by State, county, and geographic coordinates. The name "Red Hill" with reference to the proposed area is found in several locations in this database.

What Evidence Relating to Geographical Features Has Been Provided?

Red Hill's geology is part of the Umpqua Formation. It is formed of tholeiitic, olivine-bearing basalts similar in composition to the volcanic rocks that are presently on the Pacific Ocean floor. This area, formed during the Eocene Epoch, folded into a complex of synclines and anticlines, with deep, high-iron-content basalt being the underlying structure. The hill has numerous rising domes that present an undulating appearance.

Soil

According to the petitioner, all soils of the proposed Red Hill viticultural area are similar in structure. The petitioner included a soils map with a legend, which is color-coded for various soil types. The Jory series is predominant, as illustrated by the color-coded soils map, and is the deepest soil type. These soils form a uniform reservoir of both texture and depth across Red Hill.

Appearing less often, and mixed within the Jory series, are the Nekia, Philomath, and Dixonville series. These, like the Jory, are formed in residuum (residual soil material) from weathered basalt and possess similar soil color and drainage characteristics. The noticeable difference is found in the depth of soils. The Jory series is 5 to 15 feet deep, while the other series have depths of 3 to 8 feet. These deep, well-drained soils change in structure and depth below the 800-foot contour line delineating Red Hill on the western and southern flanks, with sedimentary rocks being the base.

A typical Jory pedon, the smallest volume of what can be called a soil, can be found at 1,900 feet north and 1,900 feet west of the southeast corner of section 34, Township 23 South, Range 5 West. The petitioner included a soil analysis of this pedon, which segregated into six sections to a depth of 60 inches. The first two sections (0 to 8 inches and 8 to 16 inches) are "moderately acid" silty clay loam of a reddish brown color. The third through sixth sections (16 to 24 inches, 24 to 33 inches, 33 to 48 inches, and 48 to 60 inches, respectively) are all "strongly acid," with the third section a dark reddish brown in color and the fourth through sixth sections dark red. Bedrock is found at 60 inches or deeper.

Mr. Jerry Maul, a former Douglas County extension agent, writes in a letter dated March 2, 2001, about the appellation status of the Red Hill region of Douglas County. He states that Jory soils found in other regions of the State are accepted as the "premier soil[s]" in the production of wine grapes. To some extent, these soils can be found at Dundee Hills, Oregon, and in the foothills west of Corvallis, Oregon.

The petitioner also submitted a letter from Mr. Walt Barton, an engineering technician for the Douglas Soil and Water Conservation District. Mr. Barton states in his letter, "This soil [Jory Series] in Douglas County is unique to the Red Hill District. * * * In contrast, the soils in the surrounding area are shallow or poorly drained and are formed from sedimentary rock." He also

states that the Jory series is deep, well drained, and derived from bedrock.

Climate

As stated by the petitioner, elevations of the proposed viticultural area are above 800 feet, with most of the land below 1,200 feet. These elevations have a significant effect on growing conditions and allow grapes to mature at a slower rate. This effect produces small cluster grapes of "high acid" and intense flavors.

According to the petitioner, the Red Hill climate is one of a large number of different microclimates within a relatively short distance. The climate changes are mainly caused by associated landforms and differences in altitude. Within the elevations of Red Hill, the landforms also provide for cold air drainage. This keeps the vineyards in the proposed viticultural area frost-free, while the nearby vineyards on the valley floors are frequently frozen.

In general, the regional climate is largely affected by the coastal weather systems 50 miles to the west. These storm systems are bounded by the Callahans, a group of mountains running north and south in the Coastal Range. The Callahans allow adequate winter precipitation, while combating the cold, continental weather. The result is a moderate winter climate. During the summers, numerous "Pacific highs" replace the winter storm patterns. Dry, warm summers throughout the region result. These climate changes typically occur during May and November.

According to the petitioner, the microclimate is apparent at Red Hill in other ways. Fog occurs occasionally in both the winter and the summer. This condition can be extreme. Frequently, the valley floors of the surrounding area are completely fogged in, while Red Hill experiences full sun (above 900 feet). This condition is often reversed, with Red Hill being totally fogged in while visibility at the valley floors is unlimited.

The petitioner states that the temperatures throughout the Umpqua Valley viticultural area differ greatly, creating numerous microclimates. In the Red Hill area, daytime growing temperatures are moderated by both elevation and surrounding terrain, in comparison to lower elevations that experience daytime temperatures occasionally as high as 105 °F. Red Hill's average daytime temperature during the growing season is 75 °F. Temperature recordings at Oakland, Sutherlin, and Roseburg can differ from Red Hill by as much as 11 °F during the day. Nighttime temperatures are typically 7 degrees lower than those in

surrounding areas during the summer months.

In one of the letters referenced previously, Mr. Jerry Maul states that "Bloom and ripening dates may be 12 days later than the rest of the Umpqua [Valley] Appellation and 4 to 7 days ahead of comparable varieties in the Willamette Appellation. Annual precipitation at Red Hill is usually 10 inches less than the Willamette Appellation."

The petitioner provided temperature data based on monthly averages during the annual growing period of April through October. The data were

collected at Red Hill and at the Roseburg Regional Airport in 1998, 1999, and 2000. The airport site is approximately 20 miles south of Red Hill. During this 3-year period, the average high temperatures were, as expressed in Fahrenheit degrees, 74.5 for Roseburg and 72.3 for Red Hill; the average low temperatures were 50 for Roseburg and 46.4 for Red Hill.

Precipitation

The petitioner submitted precipitation data from six locations. One site is found on Red Hill Road, and the other

five are located at lower elevations outside the proposed area.

The petitioner states that total rainfall in the proposed viticultural area averages 51 inches per year at the 1,000-foot elevation. The valley floor below, which is at a 600-foot elevation, receives approximately 40 inches of rain per year. The petitioner submitted rainfall statistics for the proposed area, as well as for locations outside its boundaries. Mean average annual rainfall is shown by location in the following chart. Latitude and longitude coordinates and elevations are included.

Location name	Elevation (Feet)	Longitude/latitude	Mean average annual rainfall (inches)
Red Hill Road	1,030	123.16° W. 43.31° N.	51.53
Oakland, Oregon	430	123.18° W. 43.25° N.	40.86
Drain, Oregon	290	123.19° W. 43.40° N.	45.70
Sutherlin	600	123.14° W. 43.25° N.	41.81
KQEN, Roseburg	420	123.22° W. 43.13° N.	32.44
Winchester	460	123.22° W. 43.17° N.	34.29

What Boundary Evidence Has Been Provided?

According to the petitioner, the boundaries of the proposed viticultural area are located in the northeastern portion of Douglas County in the State of Oregon. The proposed area is entirely within the Umpqua Valley viticultural area.

Red Hill parallels the east side of the Interstate 5 corridor for approximately 8.5 miles. The hill is readily seen as a dominant geological structure at "Exit Number 150, Red Hill." The hill itself runs in a north-south direction, with most of the slope facing westward. The hill has numerous rising domes that give it an undulating appearance.

The petitioner selected the Red Hill proposed viticultural boundaries based on the preferred vineyard slope, which faces southwest. The prescribed minimum elevation is the 800-foot contour line and the average maximum elevation is 1,200 feet. The petitioner contends that this is the likely altitude limitation for quality grape production at this latitude.

Another factor in establishing boundaries is soil composition. According to the petitioner, the dominant soils found within the proposed boundaries are mostly deep and well drained down to a 15-foot depth. These soils are volcanic in origin and are formed in residuum. Jory soils are exclusive within the proposed boundaries, except at higher, adjacent

elevations where climate conditions are not suitable for grape growing.

The boundaries of the proposed Red Hill viticultural area are more particularly discussed in § 9.175(c) of the regulations, as identified at the end of this notice.

Regulatory Analyses and Notices

Is This a Significant Regulatory Action as Defined in Executive Order 12866?

This regulation is not a significant regulatory action as defined in Executive Order 12866. Accordingly, this proposed rule is not subject to the analysis required by Executive Order 12866.

How Does the Regulatory Flexibility Act Apply to This Proposed Rule?

The proposed regulations will not have significant economic impact on a substantial number of small entities. The establishment of a viticultural area is neither an endorsement nor an approval by ATF of the quality of wine produced in the area. Rather, it is an identification of an area distinct from surrounding areas. ATF believes that the establishment of viticultural areas allows wineries to describe the origin of their wines more accurately to consumers and helps consumers identify the wines they purchase. Thus, any benefit derived from the use of a viticultural area name is the result of a proprietor's own efforts and consumer acceptance of wines from that area. No new requirements are proposed.

Accordingly, a regulatory flexibility analysis is not required.

Does the Paperwork Reduction Act Apply to This Proposed Rule?

The Paperwork Reduction Act of 1995 (44 U.S.C. 3507(j)) and its implementing regulations, 5 CFR part 1320, do not apply to this proposed rule because no requirement to collect information is proposed.

Public Participation

Who May Comment on This Notice?

ATF requests comments from all interested persons. Specifically, ATF requests comments on the potential for name confusion between the proposed Red Hills (plural) viticultural area in Lake County, California, and the proposed Red Hill (singular) viticultural area in Oregon. To resolve this problem, ATF is considering using the names "Red Hills—California" and "Red Hill—Oregon" for these respective viticultural areas. In both cases the State name would appear in direct conjunction with the viticultural area name. Comments on the proposed names and suggestions for other names are encouraged and will be given consideration.

Comments received on or before the closing date will be carefully considered. Comments received after that date will be given the same consideration if it is practical to do so. However, assurance of consideration can only be given to comments received on or before the closing date.

How May I Review Comments?

Copies of this petition, the proposed regulations, the appropriate maps, and any written comments received may be viewed by appointment at the ATF Reference Library, Room 6480, 650 Massachusetts Avenue, NW., Washington, DC 20226. The library telephone number is 202-927-7890. You may request copies of comments (at 20 cents per page) by writing to the ATF librarian at the address shown above.

For the convenience of the public, ATF will post comments received in response to this notice on the ATF Web site. All comments posted on our Web site will show the name of the commenter. Street addresses, telephone numbers, and e-mail addresses will be removed. We may also omit voluminous attachments or material that we do not consider suitable for posting. In all cases, the full comment will be available in the library as noted above. To access online copies of the comments on this rulemaking, visit <http://www.atf.treas.gov/> and select "Regulations," then "Notices of proposed rulemaking (Alcohol)." Next, select "View Comments" under this notice number.

Will ATF Keep My Comments Confidential?

ATF will not recognize any comment as confidential. All comments and materials will be disclosed to the public. If you consider your material to be confidential or inappropriate for disclosure to the public, you should not include it in the comments. We will also disclose the name of any person who submits a comment.

Will a Public Hearing Be Held?

During the comment period, any person may request an opportunity to present oral testimony at a public hearing. However, the Director reserves the right to determine, in light of all circumstances, whether a public hearing will be held.

How Do I Send Facsimile Comments?

You may submit comments by facsimile transmission to 202-927-8525. Facsimile comments must:

- Be legible;
- Reference this notice number;
- Be on paper 8½ by 11 inches in size;
- Contain a legible, written signature; and
- Be five pages or less.

This length limitation is necessary to assure the public reasonable electronic access to our equipment. We will not accept faxed comments in excess of five pages. We will not acknowledge receipt

of facsimile transmissions. We will treat facsimile transmissions as originals.

How Do I Send Electronic Mail (E-mail) Comments?

You may submit comments by e-mail by sending the comments to: nprm@atfhq.atf.treas.gov. You must follow these instructions. E-mail comments must:

- Contain your name, mailing address, and e-mail address;
- Reference this notice number;
- Be legible when printed on 8½ x 11-inch paper.

We will not acknowledge receipt of e-mail. We will treat comments submitted by e-mail as originals.

How Do I Send Comments to the ATF Internet Web Site?

You may also submit comments using the comment form provided with the online copy of the proposed rule on the ATF Internet Web site at <http://www.atf.treas.gov>.

Drafting Information

The principal author of this document is Tim DeVanney, Regulations Division, Bureau of Alcohol, Tobacco and Firearms.

List of Subjects in 27 CFR Part 9

Wine.

Authority and Issuance

Title 27, Code of Federal Regulations, Part 9, American Viticultural Areas, is proposed to be amended as follows:

PART 9—AMERICAN VITICULTURAL AREAS

1. The authority citation for part 9 continues to read as follows:

Authority: 27 U.S.C. 205.

2. Subpart C is amended by adding § 9.175 to read as follows:

Subpart C—Approved American Viticultural Areas

* * * * *

§ 9.175 Red Hill.

(a) *Name.* The name of the viticultural area described in this section is "Red Hill".

(b) *Approved Maps.* The appropriate maps for determining the boundaries of the Red Hill viticultural area are three United States Geological Survey topographic maps, with a scale of 1:24,000. They are:

(1) Sutherlin, Oreg. (Provisional Edition 1988);

(2) Scotts Valley, Oreg. (Provisional Edition 1987); and

(3) Yoncalla, Oreg. (Provisional Edition 1987).

(c) *Boundaries.* The Red Hill viticultural area is located in the State of Oregon in the northeastern section of Douglas County and is entirely encompassed by the Umpqua Valley viticultural area. Its boundaries are defined as follows:

(1) The point of beginning, shown on the Yoncalla, Oregon, map, is defined as the intersection of township line T23 South/T24 South with the north-south running pipeline at the south end of section 35. From this point, the boundary line follows the pipeline northeast through sections 35 and 26, to the Scotts Valley, Oregon, map;

(2) On the Scotts Valley map, the boundary follows the pipeline northeasterly through sections 26, 23, 24, 13, and 12 approximately 3.7 miles until the pipeline intersects with the 800-foot contour line in section 1. From this point, the 800-foot contour line is the boundary, and it bears sharply west, then north, then southeast. It crosses the pipeline and continues through section 1, next crossing the Range 5 West/Range 4 West line into section 6. It continues southeast, then northeast, and then northwest until it intersects with a power line and then the pipeline. The line continues northwest to the intersection with the Range 5 West/Range 4 West line, then bears southwest approximately 2.2 miles to section 14, through sections 1, 12, 11, 43, 11, and 14 onto the Yoncalla, Oregon, map;

(3) On the Yoncalla map, the boundary continues through section 14 and crosses an unimproved road in section 23. It next crosses Wilson Creek in section 23 and continues southwesterly through sections 23, 22, 46, 22, and 27, back into 22 and through 27 into 34. In 34, it intersects with an improved road and continues west into section 33, crosses a four-wheel-drive trail twice and an unimproved road. It continues southwest through sections 33 and 32, then back through section 33 and across a four-wheel-drive trail to the intersection of sections 32, 33, 4, and 5. The 800-foot contour line continues first southwest, then generally southeast through section 5. Continuing northeast, then generally southeast, then southwest through section 4, the boundary crosses improved roads in three places and two unimproved roads. It then travels generally southwest through section 4, crossing an improved road and two unimproved roads, then continues generally south through sections 5, 8, and 9, and onto the Sutherlin, Oregon, map;

(4) On the Sutherlin map, the boundary continues southwest through section 8, then generally southeast into

section 9. It crosses in and out of sections 9 and 16 multiple times in a generally easterly direction into section 10. The boundary, the 800-foot contour line, then alternates directions southeast and northeast through section 10 and back to the Yoncalla, Oregon, map.

(5) On the Yoncalla map, the boundary continues in a generally northern direction through sections 10 and 3 to the intersection of Pollock Creek and township line T23 South/T24 South. From this point, the boundary continues directly east to intersect with the beginning point.

Signed: October 11, 2002.

Bradley A. Buckles,

Director.

[FR Doc. 02-27444 Filed 10-29-02; 8:45 am]

BILLING CODE 4810-31-P

DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

27 CFR Part 9

[Notice No. 961]

RIN 1512-AC66

Red Hills (California) Viticultural Area (2001R-330P)

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Bureau of Alcohol, Tobacco and Firearms has received a petition proposing the establishment of the "Red Hills" viticultural area in Lake County, California. This proposed 31,250-acre viticultural area lies entirely within the current Clear Lake viticultural area in Lake County, which is, in turn, entirely within the multi-county North Coast viticultural area.

DATES: Written comments must be received by December 30, 2002.

ADDRESSES: Send written comments to: Chief, Regulations Division, Bureau of Alcohol, Tobacco and Firearms, P.O. Box 50221, Washington, DC 20091-0221, (Attn: Notice No. 961). See the "Public Participation" section of this document for alternative methods of commenting.

Copies of the petition, the proposed regulations, the appropriate maps, and any written comments received will be available for public inspection during normal business hours at the ATF Reference Library, Office of Public Affairs and Disclosure, Room 6480, 650 Massachusetts Avenue, NW., Washington, DC 20226; telephone 202-927-7890.

FOR FURTHER INFORMATION CONTACT: N. A. Sutton, Specialist, Regulations Division (San Francisco, CA), Bureau of Alcohol, Tobacco and Firearms, 221 Main Street, 11th Floor, San Francisco, CA 94105-1906; telephone (415) 947-5192.

SUPPLEMENTARY INFORMATION:

Background

The Federal Alcohol Administration Act (FAA Act) at 27 U.S.C. 205(e) requires that alcohol beverage labels provide the consumer with adequate information regarding a product's identity while prohibiting the use of deceptive information on such labels. The FAA Act also authorizes the Bureau of Alcohol, Tobacco and Firearms (ATF) to issue regulations to carry out the Act's provisions.

Regulations in 27 CFR part 4, Labeling and Advertising of Wine, allow the establishment of definitive viticultural areas. The regulations allow the name of an approved viticultural area to be used as an appellation of origin on wine labels and in wine advertisements. A list of approved viticultural areas is contained in 27 CFR Part 9, American Viticultural Areas.

Section 4.25a(e)(1), title 27 CFR, defines an American viticultural area as a delimited grape-growing region distinguishable by geographic features, the boundaries of which have been delineated in subpart C of part 9.

Section 4.25a(e)(2) outlines the procedure for proposing an American viticultural area. Any interested person may petition ATF to establish a grape-growing region as a viticultural area. The petition should include:

(a) Evidence that the name of the proposed viticultural area is locally and/or nationally known as referring to the area specified in the petition;

(b) Historical or current evidence that the boundaries of the viticultural area are as specified in the petition;

(c) *Evidence relating to the geographical characteristics (climate, soil, elevation, physical features, etc.) which distinguish the viticultural features of the proposed area from surrounding areas;*

(d) A description of the specific boundaries of the viticultural area, based on features which can be found on United States Geological Survey (U.S.G.S.) maps of the largest applicable scale; and

(e) A copy (or copies) of the appropriate U.S.G.S. map(s) with the boundaries prominently marked.

Impact on Current Wine Labels

If this proposed viticultural area is approved, bottlers using brand names

similar to the name of the viticultural area must review their existing products to insure that they are eligible to use the viticultural area's name as the appellation of origin. To be eligible, 85% of the grapes in a wine must be grown within the viticultural area. If a product is not eligible to use the viticultural area as an appellation, the bottler must obtain approval of a label with a different brand name for that wine. (See 27 CFR 4.39(i).)

Red Hills Petition

The Bureau of Alcohol, Tobacco and Firearms (ATF) has received a petition proposing a new viticultural area to be called "Red Hills." The petition was filed by Sara Schorske of Compliance Service of America on behalf of several grape growers within the proposed viticultural area. Located about 80 miles north of San Francisco, the proposed 31,250 acre viticultural area is located entirely within the Clear Lake viticultural area in Lake County, California, which is, in turn, within the larger multi-county North Coast viticultural area. Approximately 2,500 acres are planted to grapes with another 3,000 to 5,000 acres available for vineyards.

Situated on a large tract of rocky, red-colored volcanic soil, the petitioner contends that the proposed Red Hills viticultural area is distinct from the surrounding region. Steep ridges, volcanic mountains, and a large body of water, Clear Lake, border the proposed area's upland plain. The petitioner states the proposed viticulture area's distinctive microclimate is derived from its gently rolling terrain and its close proximity to a large lake and surrounding mountains.

Evidence That the Name of the Area Is Locally or Nationally Known

The petitioner indicates the area is locally known as Red Hills. The name reflects the area's prevalent red, volcanic soils and gentle hilly terrain. The petitioner submitted evidence documenting the name's current usage, including references to this area as the Red Hills district, Red Hills area, Red Hills walnut district and Red Hills agricultural district in Lake County Planning Department documents. The petitioner also notes the University of California Red Hills weather station and the Red Hills Geothermal Prospect area are both located within the proposed viticultural area. Red Hills Road, which meanders through the proposed area's southwest quadrant, is shown on a Rand McNally county map, the Lake County Travel Atlas, DeLorme's Northern California Atlas, and in a published